

640.0000 PETS EXEMPTION

See Business Inventory Exemption

640.0001 **Pets, Defined.** The term "pets" (e.g., fish, birds, insects, cats, dogs, horses) means and includes any animal held for noncommercial purposes and not as an investment. The term does not include animals held or used in connection with a trade, profession or business. The following criteria may be used in determining if an animal is held for commercial purposes and, therefore, is subject to ad valorem taxation:

1. Is the animal held or used in connection with a trade, profession or business of the owner? One indication of this is the owner taking animal related depreciation or expense deductions on his income tax returns.
2. Is the animal used in the production of offspring which are sold for an amount in excess of the expense of breeding and raising them to a marketable age?
3. Has the animal's proficiency gained monetary or other awards of substantial value?

If the answer to any of these questions is affirmative, then the animal should be considered held for commercial purposes. LTA 5/22/78 (No. 78/88).